

BLE Smoke and Fire Curtains Limited

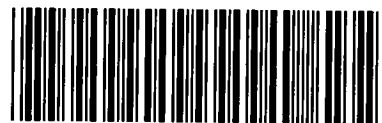
Report and Financial Statements

Year Ended

31 December 2019

Company Number 05298742

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BLE Smoke and Fire Curtains Limited

Report and financial statements for the year ended 31 December 2019

Contents

Page:

1	Directors' report
4	Independent auditor's report
7	Statement of comprehensive income
8	Balance sheet
9	Statement of changes in equity
10	Notes forming part of the financial statements

Directors

H P Trevor - Jones
G S Birt
P G Walker
N P Ward
R Mason

Secretary and registered office

N Keyworth, Unit 3 Holbrook Close, Holbrook, Sheffield, S20 3FJ

Company number

05298742

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

BLE Smoke and Fire Curtains Limited

Directors' report for the year ended 31 December 2019

The directors present their report together with the audited financial statements for the year ended 31 December 2019.

Principal activity

The principal activity of the company in the year under review was that of the manufacture and sale of fire and smoke containment products.

Results and dividends

The profit for the year, after taxation, amounted to £411,082 (2018 - £414,223).

Dividends of £313,136 (2018 - £313,136) were paid in the year.

Directors

The directors who served during the year were:

H P Trevor - Jones
G S Birt
P G Walker
N P Ward
R Mason

Post balance sheet events

In December 2019 cases of a novel corona virus ("COVID-19") in Wuhan, China were reported to the World Health Organization ("WHO") and subsequently spread worldwide. The WHO announced COVID-19 as a global health emergency on 30 January 2020, which prompted national governments to begin putting actions in place to slow the spread of COVID-19 worldwide. On 11 March 2020, the WHO declared COVID-19 a global pandemic and recommended containment and mitigation measures. Given that the declaration of a global health emergency did not happen until January 2020 the impacts of COVID-19 are considered by the Directors (as supported by relevant accounting authorities) as being non-adjusting events for the company.

The company moved quickly to ensure a safe working environment for employees and have not suffered from any significant staff absences as a result of the pandemic. Certain staff have been placed on furlough using the Governments' Job Retention Scheme during the period to the date of these financial statements, although operations and trading have been maintained throughout the peak impact of COVID-19, albeit at reduced levels. Further plans are now being put in place to expand operations and trading as lock-downs are eased in the UK and our key market countries. Information on recent and forecast trading is included in the going concern statement in note 1 to the financial statements.

Based on expectations of trading and cash flows for the period to 30 September 2021 and the nature of the assets concerned, the Directors do not consider that there will be any significant impairments of non-financial assets at the next year-end. However, it is noted that the issues and uncertainties connected to COVID-19 remain in place and the impact on asset values will be carefully monitored by the Directors.

There have been no other significant events affecting the company since the year end.

BLE Smoke and Fire Curtains Limited

Directors' report for the year ended 31 December 2019 (*continued*)

Funding and going concern

Historically, the company has been funded by cash flows generated from trading and funding provided by its parent company. The company is a wholly owned subsidiary of Lowe and Fletcher Limited. The directors have prepared a profit and loss and balance sheet forecast ("the company forecast") for the period to 31 August 2021 ("the forecast period") which shows the trading, financial position, cash at bank, bank loans, overdrafts and expected available bank facilities for the forecast period. The company forecast shows that the company needs funding support from the parent company to be able to operate and meets its external liabilities as they fall due for payment during the forecast period within its current and expected to be available bank facilities.

A similar forecast prepared by the group shows that the group should be able to operate and meets its external liabilities as they fall due for payment during the forecast period within its current and expected to be available bank facilities and therefore should be able to provide the required support to the company to operate and meet its liabilities for the forecast period. The company and group directors have also considered funding and going concern for the month of September 2021 and consider that there are no additional matters to report for this month for both the company and the group.

However, the directors also note the possible impact of Covid19 on future group and company trading and funding requirements (through a reduction in sales and cash flows caused by reduced demand and / or impacts on manufacturing locations) and the possible need for additional funding (caused by the non-renewal of group facilities or not being able to agree revised group covenants with the bank later in the year) may impact the ability of the group to provide the required support and indicate that a material uncertainty exists which may cast significant doubt on the group's and company's ability to continue as a going concern and therefore their ability to operate and pay their liabilities as they fall due for payment through the forecast period. The financial statements do not include the adjustments that would be necessary if the group and company are unable to continue as a going concern.

Qualifying third party indemnity provisions

The company has put in place qualifying third party indemnity provisions for all the directors of the company which was in force at the date of approval of this report.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

BLE Smoke and Fire Curtains Limited

Directors' report for the year ended 31 December 2019 (*continued*)

Auditors

The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Statement of directors' responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under Company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

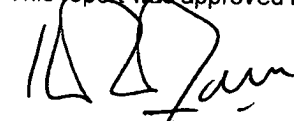
In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report has been prepared in accordance with the special provisions of part 15 of the Companies Act 2006 relating to small companies.

This report was approved by the board on 25/9/20 and signed on its behalf.



H P Trevor - Jones
Director

BLE Smoke and Fire Curtains Limited

Independent auditor's report for the year ended 31 December 2019

TO THE MEMBERS OF BLE SMOKE AND FIRE CURTAINS LIMITED

Opinion

We have audited the financial statements of BLE Smoke and Fire Curtains Limited ("the Company") for the year ended 31 December 2019 which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw your attention to note 1 to the financial statements which indicates that the company may require additional support from the group to enable it to continue as a going concern, and that the ability of the group to provide such support may be adversely affected by the impact of Covid-19 on company and group trading and group facilities. As stated in note 1, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Report and Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

BLE Smoke and Fire Curtains Limited

Independent auditor's report for the year ended 31 December 2019 (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report and from the requirement to prepare a Strategic report.

Responsibilities of Directors

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

BLE Smoke and Fire Curtains Limited

Independent auditor's report for the year ended 31 December 2019 *(continued)*

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

BDO LLP

Thomas Lawton (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Birmingham
United Kingdom

Date: 25 September 2020

¹BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

BLE Smoke and Fire Curtains Limited

Statement of comprehensive income for the year ended 31 December 2019

	Note	2019 £	2018 £
Turnover	3	6,686,530	5,786,453
Cost of sales		(3,807,550)	(3,156,262)
Gross profit		2,878,980	2,630,191
Administrative expenses		(2,556,260)	(2,148,813)
Operating profit and profit on ordinary activities before taxation	4	322,720	481,378
Taxation on profit from ordinary activities	6	88,362	(67,155)
Profit and total comprehensive income for the year		411,082	414,223

The notes on pages 10 to 23 form part of these financial statements.

BLE Smoke and Fire Curtains Limited

Balance sheet at 31 December 2019

Company number 05298742	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible assets	8		215,871		200,480
Investments	9		24,000		24,000
			<u>239,871</u>		<u>224,480</u>
Current assets					
Stocks	10	542,152		427,156	
Debtors	11	1,381,381		1,122,408	
Cash at bank and in hand		487,120		534,726	
		<u>2,410,654</u>		<u>2,084,290</u>	
Creditors: amounts falling due within one year	12	(2,087,034)		(1,805,651)	
Net current assets			<u>323,619</u>		<u>278,639</u>
Total assets less current liabilities			<u>563,490</u>		<u>503,119</u>
Creditors: amounts falling due after more than one year	13		-		(37,250)
Provisions for liabilities					
Deferred tax	14		(15,764)		(16,089)
Net assets			<u>547,726</u>		<u>449,780</u>
Capital and reserves					
Called up share capital	15		1		1
Profit and loss account			547,725		449,779
Shareholders' funds			<u>547,726</u>		<u>449,780</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the Board of Directors and authorised for issue on

25/10/20



H P Trevor - Jones
Director

The notes on pages 10 to 23 form part of these financial statements.

BLE Smoke and Fire Curtains Limited

Statement of changes in equity for the year ended 31 December 2019

	Share capital £	Profit and loss account £	Total equity £
1 January 2019	1	449,779	449,780
Comprehensive income for the year			
Profit for the year	-	411,082	411,082
Total comprehensive income for the year	-	411,082	411,082
Contributions by and distributions to owners			
Dividends: Equity capital	-	(313,136)	(313,136)
Total transactions with owners	-	(313,136)	(313,136)
31 December 2019	1	547,725	547,726

	Share capital £	Profit and loss account £	Total equity £
1 January 2018	1	348,692	348,693
Comprehensive income for the year			
Profit for the year	-	414,223	414,223
Total comprehensive income for the year	-	414,223	414,223
Contributions by and distributions to owners			
Dividends: Equity capital	-	(313,136)	(313,136)
Total transactions with owners	-	(313,136)	(313,136)
31 December 2018	1	449,779	449,780

Reserves:

Called up share capital represents the nominal value of the shares issued.

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

The notes on pages 10 to 23 form part of these financial statements.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019

1 Accounting policies

BLE Smoke and Fire Curtains Limited is a private company incorporated in England and Wales under the Companies Act 2006. The address of the registered office is given on the contents page.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Lowe and Fletcher Limited as at 31 December 2019 and a copy of these financial statements may be obtained from Companies House.

Consolidated financial statements

The financial statements contain information about BLE Smoke and Fire Curtains Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in the consolidated financial statements of its parent Lowe and Fletcher Limited.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

Funding and Going concern

Historically, the company has been funded by cash flows generated from trading and funding provided by its parent company. The company is a wholly owned subsidiary of Lowe and Fletcher Limited. The directors have prepared a profit and loss and balance sheet forecast ("the company forecast") for the period to 31 August 2021 ("the forecast period") which shows the trading, financial position, cash at bank, bank loans, overdrafts and expected available bank facilities for the forecast period. The company forecast shows that the company needs funding support from the parent company to be able to operate and meets its external liabilities as they fall due for payment during the forecast period within its current and expected to be available bank facilities.

A similar forecast prepared by the group shows that the group should be able to operate and meets its external liabilities as they fall due for payment during the forecast period within its current and expected to be available bank facilities and therefore should be able to provide the required support to the company to operate and meet its liabilities for the forecast period. The company and group directors have also considered funding and going concern for the month of September 2021 and consider that there are no additional matters to report for this month for both the company and the group.

However, the directors also note the possible impact of Covid19 on future group and company trading and funding requirements (through a reduction in sales and cash flows caused by reduced demand and / or impacts on manufacturing locations) and the possible need for additional funding (caused by the non-renewal of group facilities or not being able to agree revised group covenants with the bank later in the year) may impact the ability of the group to provide the required support and indicate that a material uncertainty exists which may cast significant doubt on the group's and company's ability to continue as a going concern and therefore their ability to operate and pay their liabilities as they fall due for payment through the forecast period. The financial statements do not include the adjustments that would be necessary if the group and company are unable to continue as a going concern.

Revenue

Revenue from the sales of goods is recognised when the Group has transferred the significant risks and rewards of ownership to the buyer and it is probable that the Group will receive the previously agreed upon payment. These criteria are considered to be met when the goods are delivered to the buyer.

Revenues and profits on long-term contracts are computed on the percentage of completion method. Profits are determined once the outcome of the contract can be assessed with reasonable certainty, after making reserves against all anticipated costs. Where contracts allow for milestone claims, revenue is recognised upon completions of works provided in accordance with the contract.

Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Revenue does not include sales between companies in the Group.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulate depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following bases:

Leasehold improvements	-	25% per annum
Plant and machinery	-	10%-33% per annum
Motor vehicles	-	25% per annum
Fixtures and fittings	-	10%-33% per annum

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

Valuation of investments

Investments held as fixed assets are stated at cost less any provision for impairment.

Impairment of fixed assets

Assets that are subject to depreciation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less additional costs to completion and disposal. Cost is defined as follows:

Raw materials and bought out parts;	Invoice cost
Work in progress and finished goods;	Cost of materials and direct labour plus an attributable proportion of direct overheads

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

Basic financial instruments

Financial assets

Financial assets comprise cash at bank and in hand, trade debtors, other debtors and amounts owed to group undertakings. These are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost. The company considers evidence of impairment of all trade and other debtors and amounts owed by group undertakings, and any subsequent impairment is recognised in the statement of comprehensive income.

Impairment of financial assets at amortised cost

Impairment provisions are recognised where there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

Financial liabilities

Financial liabilities comprise trade creditors, accruals and amounts owed to group undertakings. These are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

1 Accounting policies (continued)

Creditors

Short term creditors are measured at the transaction price.

Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the company's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the transactions at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

All foreign exchange gains and losses are presented in profit or loss.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account over the shorter of the estimated useful economic life and the period of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is credited to profit or loss over the term of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces that amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight-line basis over the term of the lease.

Pensions

The company's employees contribute to the Lowe and Fletcher Senior Executive Retirement Benefits Scheme (the "Group Scheme") together with the employees of other group companies. The Group Scheme is a defined benefit scheme. Although the company may be required to make contributions set at a level to make good any deficit, because the company's share of the net assets and liabilities of the Group Scheme cannot be separately identified, the company accounts for its pension contributions to the Group Scheme on a defined contribution basis.

For defined contribution schemes the amount charged to the profit and loss account in respect of pension costs and other post-retirement benefits is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (*continued*)

1 Accounting policies (*continued*)

Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities. Actual results may differ from these estimates.

The judgements, estimates and assumptions are:

Tangible assets impairment (Note 8)

Tangible assets are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use.

Tangible assets depreciation (Note 8)

Tangible fixed assets are depreciated over their useful economic lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

2 Judgements in applying accounting policies and key sources of estimation uncertainty (continued)

Stock (Note 10)

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised in the statement of comprehensive income.

Trade debtors (Note 11)

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount is reduced to its recoverable amount. The impairment loss is recognised immediately in the statement of comprehensive income.

Impact of COVID-19

The impact on going concern is shown in note 1 to the financial statements. The impact on results to date and consideration of the impairment of non-financial assets is shown in note 18 to the financial statements.

3 Turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 80% (2018 - 70%).

4 Operating profit

	2019 £	2018 £
This has been arrived at after charging:		
Depreciation of tangible fixed assets	106,809	91,076
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	7,500	7,500
Exchange differences	55,895	21,758

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

5 Employees

	2019 £	2018 £
Staff costs consist of:		
Wages and salaries	1,400,675	1,274,380
Social security costs	108,741	98,301
Other pension costs	54,908	57,549
	<u>1,564,324</u>	<u>1,430,230</u>

The average monthly number of employees, including the directors, during the year was as follows:

	Number	Number
Production	29	27
Sales and distribution	14	16
Administrative	6	4
	<u>49</u>	<u>47</u>

6 Taxation

	2019 £	2018 £
<i>Corporation tax</i>		
Current tax on profits for the year	-	80,228
R&D expenditure credit	-	-
Adjustment in respect of previous periods	(88,037)	(12,317)
	<u>(88,037)</u>	<u>67,911</u>
Total current tax		
	<u>(88,037)</u>	<u>67,911</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences	7,780	(1,236)
Adjustment in respect of previous periods	(8,105)	480
Effect of change in tax rates	-	-
	<u>(325)</u>	<u>(756)</u>
Total deferred tax		
	<u>(325)</u>	<u>(756)</u>
Taxation on profit on ordinary activities	<u>(88,362)</u>	<u>67,155</u>

The tax assessed for the year is lower than (2018 - lower than) the standard rate of corporation tax in the UK of 19% (2018 – 19%).

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

6 Taxation (continued)

	2019 £	2018 £
Profit on ordinary activities before tax	322,720	481,378
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2018 - 19%)	61,317	91,462
Effects of:		
Fixed asset differences	696	(12,617)
Group relief claimed	(59,831)	-
Difference in tax rates	(916)	145
Adjustments to tax charge in respect of prior periods	(88,038)	(11,837)
Other differences	(1,590)	2
Total tax (credit)/charge for the year	(88,362)	67,155

7 Dividends

	2019 £	2018 £
Ordinary shares		
Interim paid of £313,136 (2018 - £313,136) per share	313,136	313,136

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (*continued*)

8 Tangible assets

	Plant and machinery £	Fixtures, fittings, tools and equipment £	Total £
<i>Cost or valuation</i>			
At 1 January 2019	401,055	206,203	607,258
Additions	80,151	42,049	122,200
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2019	481,206	248,252	729,458
	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>			
At 1 January 2019	251,352	155,426	406,778
Charge for the year	83,144	23,665	106,809
Disposals	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2019	334,496	179,091	513,587
	<hr/>	<hr/>	<hr/>
<i>Net book value</i>			
At 31 December 2019	146,710	69,161	215,871
	<hr/>	<hr/>	<hr/>
At 31 December 2018	149,703	50,777	200,480
	<hr/>	<hr/>	<hr/>

The net book value of tangible fixed assets includes an amount of £45,325 (2018 - £90,650) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £45,325 (2018 - £45,325).

The directors have assessed the carrying value of tangible fixed assets and consider no impairment is required.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

9 Fixed asset investments

	Shares in group undertakings and participating interests £
<i>Cost</i>	
At 1 January 2019 and 31 December 2019	24,000
<i>Net book value</i>	
At 31 December 2019	24,000
At 31 December 2018	24,000

Name	Country of incorporation	Class of shares	Proportion of share capital held	Nature of business
Simpkin Machin & Company Limited	England & Wales	Ordinary	100%	Dormant company

Unless otherwise stated, the following figures have been extracted from audited financial statements for the year ended 31 December 2019:

	Aggregate share capital and reserves		Profit for the year	
	2019	2018	2019	2018
Simpkin Machin & Company Limited	24,000	24,000	-	-

10 Stocks

	2019 £	2018 £
Raw materials and consumables	451,389	371,004
Work in progress	90,763	56,152
	542,152	427,156

There is no material difference between the balance sheet value of stocks and their replacement cost.

Stock recognised in cost of sales during the year as an expense was £2,859,147 (2018 – £2,198,684).

An impairment loss of £7,707 (2018 - £4,102) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

The provision made against gross stock was £31,041 (2018 - £23,334).

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements
for the year ended 31 December 2019 (continued)

11 Debtors

	2019 £	2018 £
Trade debtors	1,006,795	938,852
Amounts owed by group undertakings	148,318	118,744
Other taxation and social security	124,797	-
Corporation tax recoverable	34,671	-
Other debtors	15,143	27,687
Prepayments	51,657	37,125
	<u>1,381,381</u>	<u>1,122,408</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the profit or loss for the period in respect of bad and doubtful trade and other debtors was £Nil (2018 - £Nil).

12 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	758,554	500,095
Amounts owed to group undertakings	126,338	101,611
Group relief	965,163	965,163
Other taxation and social security	14,985	2,446
Corporation tax	-	86,834
Obligations under finance lease and hire purchase contracts	40,793	44,335
Other creditors	-	7,635
Accruals and deferred income	181,201	97,532
	<u>2,087,034</u>	<u>1,805,651</u>

13 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Obligations under finance leases and hire purchase contracts	-	37,250
	<u>-</u>	<u>37,250</u>

14 Deferred taxation

	£
At 1 January 2019	(16,089)
Credited to the profit and loss	325
	<u>(15,764)</u>
At 31 December 2019	<u>(15,764)</u>

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 (continued)

14 Deferred taxation (continued)

	2019 £	2018 £
The deferred taxation balance is made up as follows:		
Accelerated capital allowances	(15,764)	(16,089)

15 Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
1 Ordinary share of £1	1	1

16 Commitments under operating leases

As at 31 December 2019, the company had future minimum lease payments under non-cancellable operating leases as set out below:

	2019 £	2018 £
In one year or less, or on demand	112,741	19,252
In more than one year but not more than two years	103,990	65,036
Total	216,731	84,288

17 Related party transactions

The company is a wholly owned subsidiary of Lowe and Fletcher Limited and has taken advantage of the exemption conferred by section 33.1A of FRS 102 not to disclose transactions with Lowe and Fletcher Limited or other wholly owned subsidiaries within the group.

18 Post balance sheet events

In December 2019 cases of a novel corona virus ("COVID-19") in Wuhan, China were reported to the World Health Organization ("WHO") and subsequently spread worldwide. The WHO announced COVID-19 as a global health emergency on 30 January 2020, which prompted national governments to begin putting actions in place to slow the spread of COVID-19 worldwide. On 11 March 2020, the WHO declared COVID-19 a global pandemic and recommended containment and mitigation measures. Given that the declaration of a global health emergency did not happen until January 2020 the impacts of COVID-19 are considered by the Directors (as supported by relevant accounting authorities) as being non-adjusting events for the company.

The company moved quickly to ensure a safe working environment for employees and have not suffered from any significant staff absences as a result of the pandemic. Certain staff have been placed on furlough using the Governments' Job Retention Scheme during the period to the date of these financial statements, although operations and trading have been maintained throughout the peak impact of COVID-19, albeit at reduced levels. Further plans are now being put in place to expand operations and trading as lock-downs are eased in the UK and our key market countries. Information on recent and forecast trading is included in the going concern statement in note 1 to the financial statements.

BLE Smoke and Fire Curtains Limited

Notes forming part of the financial statements for the year ended 31 December 2019 *(continued)*

18 Post balance sheet events *(continued)*

Based on expectations of trading and cash flows for the period to 30 September 2021 and the nature of the assets concerned, the Directors do not consider that there will be any significant impairments of non-financial assets at the next year-end. However, it is noted that the issues and uncertainties connected to COVID-19 remain in place and the impact on asset values will be carefully monitored by the Directors.

There have been no other significant events affecting the company since the year end.

19 Ultimate parent company and parent undertaking of larger group

The ultimate parent company is Lowe and Fletcher Limited, incorporated in England and Wales.

The largest and smallest group in which the results of the company are consolidated is that headed by Lowe and Fletcher Limited, incorporated in England. The consolidated accounts of this company are available to the public and may be obtained from The Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. No other group accounts include the results of the company.